Basic information

2000/2002(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
Electricity, internal market: renewable energy sources **Subject** 3.60.03 Gas, electricity, natural gas, biogas 3.60.05 Alternative and renewable energies	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ITRE Industry, External Trade, Research, Energy	TURMES Claude (V/ALE)	14/10/1999

Committee for opinion	Rapporteur for opinion	Appointed
ENVI Environment, Public Health, Consumer Policy	KRONBERGER Hans (NI)	26/01/2000

Council of the European Union

Key events

Date	Event	Reference	Summary
13/04/1999	Non-legislative basic document published	SEC(1999)0470	Summary
17/01/2000	Committee referral announced in Parliament		
22/03/2000	Vote in committee		Summary
22/03/2000	Committee report tabled for plenary	A5-0078/2000	
29/03/2000	Debate in Parliament		
30/03/2000	Decision by Parliament	T5-0133/2000	Summary
30/03/2000	End of procedure in Parliament		
29/12/2000	Final act published in Official Journal		

Technical information

Procedure reference	2000/2002(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper

Legal basis	Rules of Procedure EP 148
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/4/10907

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A5-0078/2000 OJ C 378 29.12.2000, p. 0004	22/03/2000	
Text adopted by Parliament, single reading		T5-0133/2000 OJ C 378 29.12.2000, p. 0020-0089	30/03/2000	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	SEC(1999)0470	13/04/1999	Summary
Supplementary non-legislative basic document	SEC(1999)0711	10/05/1999	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES0934/1999 OJ C 368 20.12.1999, p. 0006	20/10/1999	

Electricity, internal market: renewable energy sources

2000/2002(COS) - 13/04/1999 - Non-legislative basic document

PURPOSE: this Working Paper aims to outline the results of the studies carried out following the adoption of the first report on the needs for the harmonisation of the internal market for electricity (COM(1998) 167 of 16/03/1998) and to put forward a certain number of likely conclusions and possibilities for action on the basis of these results. CONTENT: the promotion of renewable energy resources (RES) is one of the Community's main priorities. The main reasons why RES must be developed are linked to the environment, to the stimulation of the competitiveness of the European RES industry, to the security and the diversity of energy supplies in the Union, and to strengthening social and economic cohesion. At this stage, the Commission has not yet come to any definitive conclusions on the question of knowing whether it is necessary to propose harmonisation measures (directive) at Community level, nor their detailed content if this is the case. The Working Paper outlines the various options that the Community faces to deal with the questions of electricity production from renewable energy resources, but the final decision will be taken in the light of reactions to this Paper. In order to achieve the objective of the better operation of the single market, the Community is currently faced with 2 main options: - Option 1: the progressive realisation of the internal market by the continuous application of the Treaty of the European Union's rules. In this option, each Member State shall continue to freely choose the support scheme that it believes to be the most appropriate, taking into consideration its own situation, under the reserve of the strict application of the Treaty rules, notably on State assistance. This approach would have clear advantages but would, however, present the disadvantage of allowing legal uncertainty to remain, to the extent that national systems would risk having to undergo changes because of legal actions brought in the name of state aid rules. In addition, this approach highlights once again the disadvantage of being too long to put in place and it would leave hanging in suspense, throughout the transition phase, the difficulties associated with the cohabitation of different schemes. - Option 2: the dynamic creation of a single market by action at Community level. Under this approach, the adoption of a Community framework in the form of a directive could be envisaged. The Member States would be required to make provisions so that, after a reasonable transition period, their direct support schemes to electricity produced from RES would meet a number of basic requirements so as to ensure an adequate compatibility between the various schemes in order to allow the practice of effective trade and the introduction of real competition. In the hypothesis that a dynamic approach

(Community directive) is chosen, another choice would have to be made concerning the type of scheme necessary or adapted to the creation of an efficient single market. There are three main types of mechanisms that might be foreseen in this context : schemes based on quotas, fixed-bonus schemes paid to the producers of renewable energy, and joint schemes that combine the 2 former schemes. These questions will be subject to a deeper examination in light of the observations received after the publication of this Paper. In addition, in the hypothesis that a proposal for a directive is presented, several additional elements would have to be analysed, such as: The exclusion of electricity produced by the large hydroelectric plants (that is to say with an installed capacity of more than 10MW) from the definition of RES for the purposes of a legislative proposal; - Whether to eventually include or exclude waste; - Whether to provide a transition period or a long period of transposition duringwhich Member States would be free to keep in operation the support schemes that they consider appropriate to raise the production of RES electricity to the level which would make the introduction of the single market possible; - To preserve the small isolated systems and the new segments of the market, for which technologies are not yet completely developed; - To provide for quite long transitional schemes · or schemes based on 'stranded costs' · at national level; - To establish a certification of origin system so as to bring some reality to commercial exchanges between the Member States; - To eventually impose on each Member State certain obligations so as to guarantee a minimal level of support in favour of RES electricity in each country. Following the reactions to this paper, the Commission will present, if necessary, appropriate proposals.

Electricity, internal market: renewable energy sources

2000/2002(COS) - 10/05/1999 - Supplementary non-legislative basic document

This Commission working document sets out to complement the working document of 13/04/1999 which analysed the 15 Member States' support schemes for electricity production from renewable energy resources (RES-E). This working document provides an inventory of the situation in the Member States by means of tables and specific statistics on: - the development of the production of RES-E per technology since 1989 (hydroelectric power, windpower, biomass, etc.); - the prices paid to producers of RES-E; - the main schemes supporting the proce of RES-E; - other support schemes; - targets for RES-E; - issues relating to grid connection and planning.

Electricity, internal market: renewable energy sources

2000/2002(COS) - 30/03/2000 - Text adopted by Parliament, single reading

The European Parliament adopted its Resolution on Electricity from renewable resources and the internal electricity market, drafted by Mr. Claude TURMES (Greens/ALE, Lux). With a view to the creation of a true Internal Electricity Market, the Parliament calls once again for the Council to adopt legislation which would enable the progressive introduction of an EU-wide CO2 energy tax. It also calls for the EU institutions to establish formal rules for the certification of all electricity and for labelling so as to provide electricity consumers with real considered choice. In this context, it asks the Commission to develop a plan to address subsidies to traditional energy sources, and to ensure the even application of EU state aid disciplines, so that all Member States, and all energies, are submitted to the same provisions, so creating a proper level playing field in the Internal Electricity Market. Parliament considers that any Directive to be proposed by the Commission on renewables in the Internal Electricity Market, following the consideration of the Working Papers, must not only protect the systems which promote the development of renewable electricity generation in the Internal Market in the medium term, especially the ones that have already proved to be more effective, but must go much further in this priority area, and establish a suitable and stable legal framework for renewable energies to underpin the rapid development of these energy sources, bearing in mind that renewable energies should constitute a major part of the energy mix in the long run. It calls for steps to be taken to ensure that even after the entry into force of new incentive arrangements, there is no disadvantage for those who have made investments up to now based on other rules. According to the Parliament, a mechanism of 'burden sharing' negotiation, managed by the Commission, must be put in place to bring Member States to commit themselves to both ambitious but fair targets for the consumption of electricity generated from renewable energy sources. Before electricity is tradde across borders is included in meeting any target of the importing Member State, rules would have to be put into place by the EU for such trade: a) to provide comprehensive EU-wide certification for all electricity and also labelling systems; b) to ensure, in particular, during the transitional period, that the terms of trade would not undermine existing Member State support systems for renewable energies, and that rules on the obligation to take renewable electricity were clear; c) to spread best practice so as to avoid excessive 'hot spot' development. The Parliament believes that, while aiming at a common Internal Electricity Market in the medium term which includes renewables, subsidiarity will allow all Member States to choose their system unhindered until 2010, and in the meantime, the situation will be reviewed by the Commission in 2005, to evaluate to what extent Member States are achieving their agreed burden-sharing targets, taking account of national and regional specificities of the different Member States and the contribution of renewables to local and regional economies. Given the lack of fully functioning CO2 energy taxes, the avoided costs associated with renewables, and given the distortions in the Internal Market caused by direct subsidies paid from State funds to traditonal energy sources, as well as indirect subsidies given to those energy sources, the Parliament believes that supports to renewable energies must not be viewed as straightforward subsidies under the rules on state aid and should therefore be treated in a special and separate manner. Given the special problems experienced by islands in energy planning and supply, the Parliament calls for incentive arrangements for investments in renewable energy for islands. The EP calls for a Commission proposal for a Directive to promote renewable energies to observe the distinction between start-up aid and those subsidies which under the EC Treaty (EU primary legislation) can have a long-term effect on trade between the Member States. As long as no CO2 energy tax is in place, the Parliament cannot envisage that supports to renewables could be limited in time or in extent by a Directive, while direct and indirect subsidies to traditional energy sources continue. In the Parliament's opinion, renewable energies should be clearly defined as those energies which renew themselves indefinitely, and therefore should not include municipal incineration or peat, but may include biogas and geothermal, as per the White Paper on renewables. A separate article is required in any Directive which should exclude large hydro in general, since it is normally already economically viable, possibly with some very limited exceptions for newer installations or the restoration of older ones. The Commission is called upon to report on the situation regarding fair access to the grid for renewables in its widest interpretation, in all Member States and trans-boundary, and so incorporate rules based on best possible practice into any Directive, bearing in mind the special conditions under which renewables operate. Lastly, the Parliament calls on the Commission to submit a draft Directive supplementing the one relating to the internal electricity market and establishing both priority rules for access to electricity produced by means of a renewable energy source and a financial framework for shared cost Community intervention in respect of research into, and the promotion of, renewable energy sources.